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Trip to Tampa and DC Offers Valuable Insight to Honolulu Proposed $6 Billion Rail Project

By City Council Member Charles Djou, 11/14/2006 2:12:29 PM

Open letter to Ms. Denise DeCosta, City Clerk, Nov. 14, 2006, RE: Trip to Washington, D.C. and Tampa, Florida, Nov. 7 to 11, 2006, Relating to Honoluluâ€™s Proposed Mass Transit System

I. INTRODUCTION

This memorandum summarizes my visit last week to Washington, D.C. and Tampa, Florida. Although this memorandum is not required under the Rules of the Honolulu City Council, I am nevertheless filing this documentation to share information with the public on my findings on this trip.

A. Executive Summary

In the meeting with the Federal Transit Administration (â€œFTAâ€) in Washington, D.C., I learned about the procedure and process for obtaining Federal funds. I also learned that the Federal government has never awarded any transit project outside of New York City more than $750 million and the City and County of Honoluluâ€™s (the â€œCityâ€) request for $1 billion may be very optimistic. Further, the proposed timeline suggested by the City administration to have a rail system operational in Honolulu by 2012, while possible, may be exceptionally ambitious.

In Tampa, Florida, I met with Tampa transportation officials and observed the elevated Tampa Expressway. The Tampa Expressway is a 14 mile reversible toll way built over an existing highway right-of-way for $420 million. The system was built in 40 months, did not require any tax increase and opened this past August. The system currently carries approximately 11,000 vehicles per hour and 75,000 vehicles per day and its tolls already pay for the bonds used to construct the expressway.

B. Funding â€“ No Taxpayer Resources Used for Travel

No city taxpayer funds were given to me and I will not submit for reimbursement for any airfare, hotel accommodations or dining costs on my behalf. I will, however, submit for reimbursement some nominal costs related to ground transportation to get me to and from meetings that I would have incurred had these meetings taken place in Honolulu.

II. WASHINGTON, D.C. â€“ Meeting with the Federal Transit Administration

On Thursday, November 9, 2006, I attended a meeting at the offices of the U.S. Department of Transportation, FTA. I met with Ms. Bridgid Hynes-Cherin, Mr. Ron Fisher and Mr. Jim Ryan, all of who are with the Office of Planning for the FTA. Council Chair Donovan Dela Cruz and Mr. David Glater, a transportation consultant for the Honolulu City Council, also attended this meeting.

A. FTA Meeting Background

One of the more helpful insights gained from this meeting with FTA officials was a clear explanation of the process and timeline for obtaining Federal funds for a new start transit project. The FTA explained that the Alternatives Analysis (â€œAAâ€) is the first step in the formal process of obtaining Federal funding. Although a local government can certainly engage in extensive discussions and examine the prospect of launching a new mass transit process, until the AA is formally completed, all such discussions are merely â€œhypotheticalâ€ from the vantage point of the FTA. The City formally presented the AA to the Honolulu City Council on Wednesday, November 1, 2006.

B. Stations Must Be Identified in an LPA Selection

Upon completion of the AA, under whatever local rules exist, the local government shall select a Locally Preferred Alternative (â€œLPAâ€). The LPA identifies what type of transportation system a local government prefers. The LPA must have been studied in the AA to be eligible for Federal funds. Under the Cityâ€™s rules, the Honolulu City Council is vested with the responsibility for selecting the LPA. For Federal funding for a fixed guide-way system, the LPA must establish with reasonable clarity the expected cost of such a system. It is hoped that selection of the LPA by the Honolulu City Council will be done before December 31, 2006.

To establish expected costs, the LPA for a fixed guide-way must not only identify the starting and stopping points of the system and its route, it must also identify the number and location of each transit stop along such route. The FTA did point out, however, that a LPA selection can make â€œminorâ€ changes to a station location and still remain eligible for Federal funds. For example, shifting a particular station one block east or west would not

likely jeopardize funding. On the other hand, eliminating a station, which could alter ridership forecast after selection of the LPA, could trigger withdrawal of funding or requiring the City to restart the analysis process again.

C. Expected Federal Funding â€“ Probably Under $750 million

The City must complete an environmental impact statement (â€œEISâ€) with an LPA selection. The FTA expressed that most municipalities have at least a draft EIS completed at the time of the selection of the LPA. Nevertheless, failure by the City to have an EIS completed at the time the Honolulu City Council selects its LPA is not a barrier to obtaining Federal funds.

Upon completing of an EIS, the City may then enter into Preliminary Engineering (â€œPEâ€). The PE stage is where the City may first apply for substantial Federal funds from the FTA. Congress may appropriate nominal sums to a municipal government to assist with the cost of preparing a PE, but only upon entering a Federal Funding Grant Agreement (â€œFFGAâ€) will the FTA release significant sums for the construction of a mass transit system to any local government.

The FFGA is an inter-governmental agreement that binds the City and the Federal government. The Federal government will not enter into an FFGA until the PE stage, and the City must have sufficiently detailed the expected cost, transit ridership, environmental impact and land use changes. The FFGA will also detail the total amount of Federal funds that will be disbursed and the timing of such disbursements. Even if Congress earmarks funds above the FFGA, the Federal government will still only disburse funding to the extent of the FFGA.

In response to questions from myself, the FTA explained that outside the City of New York, the largest single FFGA disbursement the FTA has ever given a local government is $750 million. The FTA also shared statistics with our group for FY2006, showing the amount of Federal funds granted to other municipalities. The statistics showed that the overwhelming majority of projects around the country that received Federal funds in FY2006 for a transit project were in the $200 million to $400 million range. The FTA officials did state that a request by the City for funding of $1 billion is not a â€œdeal stopper.â€ FTA officials did say that this would be an â€œunprecedentedâ€ amount, but such an amount not necessarily â€œoutside the realm of reason.â€ At this stage, the FTA stated it would be difficult for them to estimate how much Federal funds the City could expect. Instead, the FTA encouraged our group to â€œlook at the historical record.â€ The FTA also stated that it was â€œhelpfulâ€ in obtaining Federal money that the City has already established a local funding mechanism to collect matching local revenue to fund a transit system.

D. Immediate Selection of a LPA is NOT a Factor for Federal Funds

Contrary to media reports in Hawaii, the FTA stated that the immediate selection of any LPA is not per se critical. Selection of an LPA by December 31, 2006, was not â€œmaterialâ€ to obtaining Federal funding. Indeed, the FTA stated that virtually all Federal funds for transit construction have already been locked up with existing projects through FY2009. The earliest Honolulu would see any money from the Federal government would be FY2010.

The FTA stated that they would prefer not to see any â€œextendedâ€ delay in selection of a LPA by the City. Selection of a LPA sometime before the end of 2007, however, would not affect the amount of Federal funds. The FTA stated that they understood local politics can make a difference in selection of a LPA and deferred to our groupâ€™s understanding of Honolulu city politics regarding pressure to pass the LPA immediately.

The FTA also stated that the City could decide to select the proposed 28 mile route suggested by the City administration for the purposes of telling the public to garner sufficient voter support for a project, but only officially submit the proposed 20 mile route to the FTA for funding. The thinking would be that at some later date the City would go back and finish the system in another phase.

Finally, the FTA also explained that as long as the AA had studied a route, there is no limitation on the City Council selecting any portion of such a route. That is, the City could select a 20 mile route, different from that suggested by the City administration, so long as it is along the 28 mile proposed route or another studied route. Similarly, the City Council could even select a 19 or even 10 mile route, so long as such route path had been studied in the AA.

III. TAMPA, FLORDIA â€“ Inspection of Tampa Expressway

On Friday, Nov. 10, 2006, I flew to Tampa, Florida and met with officials from the Tampa Expressway Authority. My meeting included Council Chair Donovan Dela Cruz. The officials who met with me included Dr. Martin Stone, planning director and the current acting director of the Tampa Expressway Authority, as well as Linda Figg, Patrick McCue and Edwin Callicut of Figg Engineering, the designers of the Tampa Expressway. Two other officials, including the recently retired CFO with the Tampa Expressway Authority, also joined us in this meeting but I unfortunately did not take down their names. Although City ethics rules allow me to accept a gift up to $200 from any party, I was not offered and did not accept any meal or gift from any officials or private parties relating to this visit to Florida.

A. Tampa Expressway Background

Construction of the Tampa Expressway started in January of 2003 and the project was finished in May of 2006. The system was open to the general public in August of 2006. The project is a 14 mile, three lane elevated, reversible toll way. The system connects downtown Tampa with its suburban bedroom community of Brandon. In the morning, the toll way operates exclusively in a town bound direction and in the opposite direction in the afternoon.

There are no toll booths at any entrance or exit point of the Tampa Expressway. Instead, customers are billed monthly either through an electronic toll identifier device or through their Florida license plate. The toll costs $1 with the electronic toll device and $1.25 with billing via a Florida license plate.

Currently, approximately 11,000 trips per work day are taken on the Tampa Expressway, slightly higher than the initial estimate of 8,000 to 10,000 per work day. The Tampa transit officials stated that their goal would be to maintain a level of service â€œAâ€ during peak rush hour on the Tampa Expressway via pricing. The expressway authority has anticipated increasing the toll if the level of service drops due to traffic congestion.

The entrance and exit of the Tampa Expressway is only 150 feet wide and uses no more land than a typical street intersection.

B. Tampa Expressway Cost - $420 Million

The Tampa Expressway project was envisioned after the Tampa and Hillsborough officials could not agree on an appropriate tax increase to support a rail system. The elevated toll way system was originally budgeted to cost $300 million. Due to a foundation failure on one of their support columns, caused by a sink hole common in Florida, the projectâ€™s costs increased from $300 million to $420 million. Tampa officials are currently in litigation with an engineering firm over this accident.

This system is paid for entirely out of toll revenues. Neither the City of Tampa nor Hillsborough County appropriated any general fund monies for this toll way and no tax increase was levied on residents. Current toll revenues cover all bonds used to finance this project.

Although an elevated toll way system may be eligible for Federal funding, no Federal funds were applied for or used to build the Tampa Expressway.

According to City officials, the Cityâ€™s AA for a two-lane managed lane option was based on the Tampa Expressway. I asked Tampa officials how they thought the Cityâ€™s AA could estimate the cost of a two lane 16 mile elevated toll way for Honolulu at $2.6 billion when their three-lane 14 mile toll way only cost $420 million, including a $120 million cost over-run. The Tampa transportation officials universally expressed disbelief at the Cityâ€™s AA cost estimate. They all stated that none of them were ever contacted by any City official or the Cityâ€™s transit consultant, nor did the City or its consultant ever request any information from any Tampa officials on their elevated expressway system. Every single Tampa official I met with felt a similar system could be built in Honolulu for about $500 million, and none of the officials felt that it would cost over $1 billion.

C. Total Construction Time - 40 Months

The Tampa Expressway was forecast to be built in approximately 30 months. Because of the foundation failure, the project was actually built in 40 months. Tampa officials state, however, this is still less than a fourth of the time that it was estimated for Tampa to build a fixed guide-way system for their community.

D. Effective Traffic Relief

According to Tampa officials, before the elevated Tampa Expressway was built, the average commute time for a 14 mile trip from the Tampa suburb of Brandon to downtown Tampa was approximately 30 to 40 minutes during peak rush hour. With the elevated toll, the Tampa officials claim that the time for the same commute is approximately 10 minutes during peak rush hour and commute time for the highway below the toll way is now down to 15 minutes.

E. Economic Development

Tampa officials were proud to point out that there was minimal environmental impact due to the construction of their elevated toll way. The system itself sits on concrete pedestals that are only six feet wide. Because Florida is prone to both hurricanes and tornadoes, the expressway is engineered to withstand both. The Tampa transportation officials explained to me that they are confident that it is engineered to withstand a substantial earthquake.

The start and end of the Tampa Expressway has triggered urban redevelopment around the on and off ramps in Tampa. In particular, several thousand new condominiums with a planned integrated shopping center are being built at the downtown end of the Tampa Expressway.

The Tampa Expressway was constructed entirely with local labor. The system uses pre-cast concrete sections that are manufactured off-site, then trucked to the construction area and assembled.

F. Other Cities Now Select the Elevated Toll Way Over Rail

The Tampa transportation officials I met with informed me that numerous other municipal officials have come to Tampa to examine their system in person to see how it works. In particular, in the past year transportation and public officials from Ft. Lauderdale, Florida and Birmingham, Alabama have not only inspected, but have now opted to select an elevated toll way as their locally preferred transit alternative to address their respective communityâ€™s transportation needs. In particular, both Ft. Lauderdale and Birmingham contemplated building a rail system for their respective communities, but rejected them after inspecting the Tampa expressway

system.

Tampa officials state that they felt an inspection by the local media from the Ft. Lauderdale and Birmingham areas dramatically helped educate their respective political leaders that an elevated toll expressway was a superior option to constructing a fixed guide-way system.

IV. CONCLUSION

This visit with the FTA and to Tampa, Florida provided new insight to Honoluluâ€™s selection of a LPA. Although a fixed guide-way system has attracted the lionâ€™s share of media attention in Honolulu, residents should understand that the time line proposed by the City to build a rail system is very ambitious. Oahu taxpayers should also understand, based on my meeting with the FTA, that the prospective amount of Federal funding may be several hundred million dollars less than the $1 billion called for in the AA.

Oahu residents should recognize that the elevated toll way system built in Tampa, Florida is a viable alternative that has effectively worked for another community. This system was constructed for far less than any sum estimated for a fixed guide-way. Indeed, extrapolating the $420 million for the 14 mile expressway built in Tampa for a 16 mile elevated toll system in Honolulu would come to $450 million. Adding in another $450 million for the higher cost of construction in Honolulu as well as any expected cost over-runs and delays, the sum still amounts to less than $1 billion, compared to $6.1 billion for a full 28 mile rail system proposed by the City. Finally, Oahu residents should understand that even if the City does proceed with a rail system and is able to meet its ambitious construction timeline, the rail system would not be fully completed for nearly 12 years. Based on the evidence in Tampa, an elevated toll way could be built in Honolulu in less than 5 years. *Charles Djou, city council member representing Hawaii Kai to Waikiki, can be reached at* mailto:cdjou@honolulu.gov

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